

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3842

ANSWERED ON:30.04.2007

SUBSIDY ON FERTILIZERS

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Pallani Shamy Shri K.C .

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the subsidy on fertilizers released by the Government during 2006-07 and earmarked for 2007-08;
- (b) whether the Government is aware that the subsidy on fertilizers is not properly reaching to the farmers;
- (c) if so, whether the Government has any proposal to provide subsidy directly to the farmers instead of giving it to the fertilizers producing companies; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

- (a) During the financial year 2006-07, Rs. 25,952.91 crore has been paid as subsidy. Budget Estimates for the year 2007-08 is Rs. 22,451.01 crore.
- (b) The subsidy on fertilizers is released to manufacturers/importers to bridge the gap between the normative delivered cost of the fertilizers and the Maximum Retail Prices(MRP) at which they are made available to the farmers. The subsidy reaches the farmers in form of subsidized MRP.
- (c)&(d) The Fertilizer Industry has agreed to work with the Department of Fertilizers to conduct study for finding alternate model of delivery of subsidy to the farmers. Fertilizers Association of India(FAI)) has entrusted a study to Tata Consultancy Services Ltd.(TCS) to suggest a model for disbursement of fertilizer subsidy directly to farmers. The draft report of FAI is likely to be ready in April,2007.